



# Colgate World of Care



**COLGATE-PALMOLIVE COMPANY**

300 Park Ave.  
New York, NY 10022 USA

Phone: 212-310-2000  
Toll Free: 800-468-6502  
Fax: 212-310-2475

**Colgate-Palmolive** is a top maker and marketer of toothpaste and a worldwide leader in oral care products

(mouthwashes, toothpaste, toothbrushes). Its **Tom's of Maine**  unit covers the natural toothpaste niche.

**Colgate-Palmolive's Hill's Pet Nutrition**  subsidiary makes Science Diet and Prescription Diet pet foods as well. **Colgate-Palmolive** also makes and markets personal care items (deodorants, shampoos, soaps) and household cleaners (bleaches, fabric softeners, soaps). The company operates in some 70 countries and sells products in more than 200. **Colgate-Palmolive** is nearing the end of a multiyear restructuring plan. To remain competitive, **Colgate-Palmolive** implemented a four-year restructuring plan in late 2004 that involves cutting employees and closing plants worldwide. The company's plan is to remain a top competitor by boosting its core businesses. Its three primary objectives are to increase profit, reallocate resources to promising growth areas, and leverage global market efficiencies. The initiative involves reducing its global workforce by some 12%, closing about 25 of its 78 factories, and focusing on core units. **Colgate-Palmolive** also looks to grow more profitable by transitioning some manufacturing operations into regional centers. By selling its North American laundry detergent brands in 2005, **Colgate-Palmolive** is focusing on the high-margin pearly whites (with bite) of its portfolio -- oral care and pet care. The company's purchase of natural oral-care products maker **Tom's of Maine** in 2006 is **Colgate-Palmolive's** effort to target the natural niche -- a market valued at some \$6 billion with a 9% growth rate. It bought some 84% of the firm for about \$100 million. It's also purging laundry detergent brands marketed in numerous Asian and South American markets. In addition, the firm's restructuring calls for consolidation of toothpaste production in Europe, where discounted brands have lured customers away from **Colgate-Palmolive's** brand names. In recent years **Colgate-Palmolive** brushed up its portfolio by extending its well-known brands into newer product areas. Colgate Simply White teeth whiteners, Motion battery-powered toothbrushes, and Palmolive aromatherapy dishwashing liquids are examples. While **Colgate-Palmolive** leads in sales of toothpaste, consumer-goods giant **Procter & Gamble**  (P&G) remains a

formidable competitor. With **P&G's** purchase of **Gillette**  and its greater presence in the industry, **Colgate-Palmolive** is likely to feel **P&G** flexing its marketing muscle as it negotiates positions on store shelves and contracts with retailers.

<b>Colgate-Palmolive Key Numbers</b> (fiscal year-end December)	
2007 Sales (mil.)	\$13,789.7
1-Year Sales Growth	12.7%
2007 Net Income (mil.)	\$1,737.4
1-Year Net Income Growth	28.4%
2007 Employees	36,000
1-Year Employee Growth	3.7%

<b>#186 in FORTUNE 500</b>
<b>#212 in FT Global 500</b>

<b>Top Competitors</b>			
	<b>Church &amp; Dwight</b> (December)	<b>Clorox</b> (June)	<b>Procter &amp; Gamble</b> (June)
<b>Sales (mil.)</b>	\$2,220.9 (2007)	\$5,273.0 (2008)	\$83,503.0 (2008)
<b>1-Year Sales Growth</b>	14.1%	8.8%	9.2%
<b>Net Income (mil.)</b>	\$169.0 (2007)	\$461.0 (2008)	\$12,075.0 (2008)
<b>1-Year Net Income Growth</b>	21.7%	--	16.8%
<b>Employees</b>	3,700 (2007)	7,800 (2008)	138,000 (2007)
<b>1-Year Employee Growth</b>	--	2.6%	--

### All Competitors



## Colgate's Executive Management Team

### Ian M. Cook - President and Chief Executive Officer



Mr. Cook joined Colgate in the United Kingdom in 1976 and progressed through a series of senior management roles around the world. He became Chief Operating Officer in 2004, with responsibility for operations in North America, Europe, Central Europe, Asia and Africa. In 2005, Mr. Cook was promoted to President and Chief Operating Officer, responsible for all Colgate operations worldwide and was promoted to Chief Executive Officer in 2007. [Bio](#)



### Michael J. Tangney - Chief Operating Officer, Colgate-Europe, Greater Asia and Africa



Mr. Tangney joined Colgate in 1971 and held various U.S. and international management positions in Latin America and Europe. He was appointed to his current position in 2007, having most recently been Executive Vice President and President, Colgate-Latin America. [Bio](#)



### Stephen C. Patrick - Chief Financial Officer



Joined Colgate in 1982 after having been a Manager at Price Waterhouse. Before being named CFO in 1996, Mr. Patrick held a series of key financial positions, including Vice President and Corporate Controller and Vice President-Finance for Colgate-Latin America. [Bio](#)



### Andrew D. Hendry - Senior Vice President, General Counsel and Secretary



Joined Colgate in 1991 from Unisys, where he was Vice President and General Counsel. A graduate of Georgetown University and NYU Law School, Mr. Hendry has also been a corporate attorney at a New York law firm and at Reynolds Metals Company (now part of Alcoa, Inc.). [Bio](#)



[Full List of Executive Management Team Members](#)

## Colgate's Core Values

### **Caring**

The Company cares about people: Colgate people, customers, shareholders and business partners. Colgate is committed to act with compassion, integrity and honesty in all situations, to listen with respect to others and to value differences. The Company is also committed to protect the global environment and to enhance the communities where Colgate people live and work.

### **Global Teamwork**

All Colgate people are part of a global team, committed to working together across countries and throughout the world. Only by sharing ideas, technologies and talents can the Company achieve and sustain profitable growth.

### **Continuous Improvement**

Colgate is committed to getting better every day in all it does, as individuals and as teams. By better understanding consumers' and customers' expectations and continuously working to innovate and improve products, services and processes, Colgate will "become the best."

## Valuing Colgate People

"Valuing Colgate People" is a training program designed to encourage Colgate people of all backgrounds around the world to meet their personal goals while helping to achieve our corporate objectives. Training helps Colgate people to recognize value and respect others for their unique contributions.

Mandatory for all Colgate employees, this program encourages participants to:

- Practice skills that value, encourage, motivate and develop all Colgate people
- Recognize, value and respect the unique contributions each person brings to Colgate
- Live the shared Colgate values



Training also examines other issues, including:

- Managing with Respect
- Understanding Work & Family Life Issues
- Valuing Race and Ethnicity
- Ensuring Opportunities for People with Disabilities
- Valuing Gender

## Managing with Respect

"Managing with Respect" is critical to Colgate's continued success and to Colgate's goal of Becoming the Best Place to Work. This training program, mandatory for all Colgate managers, explains their Managing with Respect principles and encourages their daily practice.

"Managing with Respect training improves the abilities of Colgate People to:

- Become more effective managers
- Lead others to value individual differences and use those differences to achieve positive business results
- Communicate effectively
- Promote teamwork
- Set the example



## Products



## External Governance Recognition

### **High Governance Ratings**

In September 2007, Colgate received the highest rating of 10 from GovernanceMetrics International ("GMI"), becoming one of only three companies in the world to achieve this score in all of GMI's ratings cycles since their inception in 2003. GMI is an independent governance ratings agency, which examines the governance practices of more than 4000 companies worldwide.

Colgate is also among the high rated companies by Institutional Shareholder Services ("ISS"), a provider of proxy voting and corporate governance services. ISS evaluates the corporate governance structures and policies of nearly 7,500 companies worldwide.

### **Wharton/Spencer Stuart Award**

The Wharton School of the University of Pennsylvania and SpencerStuart, the international executive search firm, jointly selected the Board of Directors at Colgate-Palmolive to receive the fifth annual "Board Excellence" Award. For a copy of the press release announcing Colgate's "Board Excellence" Award, please go to [www.wharton.upenn.edu](http://www.wharton.upenn.edu) and click on Wharton Facts, News and Events, News Releases – 2001.

### **Top Ten Boards, Business Week**

On three occasions, the Colgate Board has been ranked among the Top 10 Boards in the U.S. by *Business Week*. Each time, Colgate was selected from more than 200 public companies, based on *Business Week's* surveys of institutional investors and leading corporate governance experts.

# Colgate's World Fact Sheet



## Colgate's World includes:

- o **Colgate At A Glance**
  - [About Colgate](#)
  - [Business Strategy](#)
  - [People](#)
  - [Global Brands](#)
- o **Financial Highlights**
  - [2008 Third Quarter](#)
  - [2007 Full Year](#)
  - [Financial Trends](#)
  - [Key Contacts](#)



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## 2007 Annual Report:



## Corporate Profile

Colgate is a \$13.8 billion consumer products company that serves people around the world with well-known brands that make their lives healthier and more enjoyable.

Truly global in scope, Colgate sells its products in over 200 countries and territories.

- Approximately 75% of sales come from international operations.

Colgate is delivering strong global growth by following a tightly defined strategy to increase market leadership positions for key products, such as toothpaste, toothbrushes, bar and liquid soaps, deodorants/anti-perspirants, dishwashing detergents, household cleaners, fabric conditioners and specialty pet food.

At Colgate, governance is the set of policies, principles and values that guides their business processes in the best interests of their shareholders and employees. At every level, the principles that guide sound governance guide the actions of Colgate people.

## Business Strategy

Colgate's tightly defined leadership strategy focuses on four core global businesses: Oral Care, Personal Care, Home Care and Pet Nutrition.

Around the world, Colgate people all work together to succeed in:

- Driving Growth
- Funding Growth
- Becoming the Best Place to Work

Colgate's long history of strong performance comes from absolute focus on their core global businesses, combined with a successful worldwide financial strategy. This financial strategy is designed to increase gross profit margin and reduce costs in order to fund growth initiatives and generate greater profitability.

- o Important note: Colgate-Palmolive should make all efforts possible to avoid product testing on animals.

## Innovating Everywhere

At Colgate, innovation is a key contributor to the Company's strategy for delivering profitable growth. From the research and development lab to the retail shelf, Colgate continuously finds ways to stand out. Various functions collaborate to facilitate the innovation process. Scientists involved in early research within Colgate's research and development organization align with marketers in the Company's three long-term innovation centers to identify new product opportunities that might take three to five years to get to market. These centers are focused by category: Oral Care, Pet Nutrition and, new in 2008, Body Cleansing. Nearer-term opportunities across

all categories are identified in Colgate's nine consumer innovation centers worldwide. These centers are staffed with seasoned, high-potential Colgate marketers and are located across the globe, staying close to consumers in all geographies to best understand their local wants and needs. To sharpen the innovation process even more, Colgate has formed partnerships with outside experts, including suppliers that are technical leaders. One such partnership, with a European-based supplier, resulted in the development of several innovative toothbrushes, including the very successful Colgate 360° manual toothbrush and new Colgate 360° Sonic Power, a battery brush that provides a



healthier whole-mouth clean with the ease and comfort of a manual brush. Recently completing its global rollout, this uniquely designed powered brush is achieving excellent results worldwide. Importantly, innovation at Colgate extends beyond new products. In packaging, for example, a recent innovation contributing to significant sales growth is the small-sized, flexible, re-sealable, stand-up pouch developed for [Fabuloso liquid cleaner](#) and [Suavitel fabric conditioner](#). The economical, convenient packaging, especially practical for small homes with limited storage space, has increased household penetration of these brands in [Colombia](#), [Ecuador](#) and [Peru](#), and is now being expanded to other [Latin American](#) countries. Innovative process changes are happening at Colgate throughout all business functions. During 2007, Colgate's Global Consumer Affairs organization upgraded several important processes, including launching a new consumer documentation system in [North America](#) that provides key internal stakeholders with access to critical consumer feedback in real time. Additionally, the team instituted formalized, bi-annual consumer feedback and insight meetings with marketing and research and development personnel to help drive actionable, consumer-driven, business-building recommendations into the business. As a result of these process enhancements, Colgate's Global Consumer Affairs function has been recognized as [best-in-class](#) by an external, independent consumer research organization. By bringing together the latest science and consumer insights, Colgate has a full pipeline of innovative products, which coupled with enhanced business processes will continue to drive profitable growth worldwide.



**Colgate in the 50's (video)**



**Colgate today (video)**



**Colgate Worldwide**

**Improving Product Visibility In Small Rural Stores**

In emerging markets around the world, Colgate is committed to providing widespread distribution of the right Colgate products for each retail shop. Colgate salespeople work closely with local merchandisers and shop owners to deliver superior visibility of our products on the store shelf. This makes it easier for shoppers to choose Colgate products and drives stronger sales for both the local shop and Colgate.

**India**

